

FEB 26 1997 -1 55 PM '97

CHAPMAN AND CUTLER

Theodore S. Chapman
1877-1943
Henry E. Cutler
1879-1959

111 West Monroe Street, Chicago, Illinois 60603-4080

TWX 910-221-2103 Telex 206281

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2 North Central Avenue
Phoenix, Arizona 85004
(602) 256-4060

50 South Main Street
Salt Lake City, Utah 84144
(801) 533-0066

February 26, 1997

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Twelfth Street & Constitution Avenue, N.W.
Washington, DC 20423

Re: Union Pacific Railroad Company
Leveraged Lease Locomotive Financing
UPRR 1997-A

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, three copies of each of the primary documents and the secondary documents described below. As one of the attorneys representing the Lessee in this transaction, I have knowledge of the matters described in this letter.

The primary documents are as follows.

(1) Memorandum of Lease Agreement (UPRR 1997-A), dated February 27, 1997, between Dia Horizon Ltd., as lessor (the "Lessor"), and Union Pacific Railroad Company, as lessee (the "Lessee"); and

(2) Memorandum of Mortgage and Security Agreement (UPRR 1997-A), dated February 27, 1997, between the Lessor, as borrower (the "Borrower"), and Harris Trust and Savings Bank, as security trustee (the "Security Trustee").

The secondary documents are as follows:

(1) Memorandum of Lease Supplement No. 1 (UPRR 1997-A), dated February 27, 1997, between the Lessee and the Lessor;

(2) Memorandum of Mortgage Supplement No. 1 (UPRR 1997-A), dated February 27, 1997, between the Lessor, as Borrower, and the Security Trustee;

(3) Memorandum of Dollar Account Pledge Agreement (UPRR 1997-A), dated February 27, 1997, between Kreditanstalt für Wiederaufbau ("KfW"), as agent (the "Agent"), and the Lessor, as Borrower; and

(4) Memorandum of Yen Assignment Agreement (UPRR 1997-A), dated February 27, 1997, between the Lessor, as assignor (the "Assignor"), and The Bank of Tokyo-Mitsubishi, Ltd., as assignee (the "Assignee").

Counterpart - K. Bartman

RECEIVED
SURFACE TRANSPORTATION
BOARD
FEB 26 1 54 PM '97

CHAPMAN AND CUTLER

Theodore S. Chapman
1877-1943
Henry E. Cutler
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111 West Monroe Street, Chicago, Illinois 60603-4080

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February 26, 1997

REGISTRATION NO. 20551-10
FEB 26 1997 2:06 PM

2 North Central Avenue
Phoenix, Arizona 85004
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50 South Main Street
Salt Lake City, Utah 84144
(801) 533-0066

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Twelfth Street & Constitution Avenue, N.W.
Washington, DC 20423

Re: Union Pacific Railroad Company
Leveraged Lease Locomotive Financing
UPRR 1997-A

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, three original copies of the document described below. As one of the attorneys representing the Lessee in this transaction, I have knowledge of the matters described in this letter.

The enclosed document is as follows.

Memorandum of Lease Assignment (UPRR 1997-A), dated February 27, 1997, between Harris Trust and Savings Bank, as security trustee (the "Security Trustee" or the "Assignee"), and Dia Horizon Ltd., as lessor (the "Lessor" or the "Assignor").

The names and addresses of the parties to the enclosed document are as follows.

Security Trustee and Assignee: Harris Trust and Savings Bank,
as Security Trustee
311 West Monroe Street
Chicago, Illinois 60690

Lessor and Assignor: Dia Horizon Ltd.
c/o Diamond Lease Company Ltd
Project Development Department
7-2 Yaesu 2-chome
Chuo-ku, Tokyo 104
Japan

The description of the equipment covered as of the date hereof by the aforesaid Memorandum of Lease Assignment is as set forth on Exhibit A hereto.

A fee of twenty-four ^{four} dollars (\$24.00) is enclosed. Please time and date stamp the enclosed copies of the enclosed document along with the extra copy of this letter as proof of filing and recordation of the enclosed document and return the original and any extra copies of such document and this letter not needed by the Board for recordation to:

Karl T. Williams, Esq.
Chapman and Cutler
111 West Monroe
Chicago, Illinois 60603

Law Offices of
CHAPMAN AND CUTLER

A short summary of the document to appear in the index follows:

MEMORANDUM OF LEASE ASSIGNMENT:

Memorandum of Lease Assignment (UPRR 1997-A) between Harris Trust and Savings Bank, as Security Trustee, 311 West Monroe Street, Chicago, Illinois 60690, and Dia Horizon Ltd., as Lessor, c/o Diamond Lease Company Ltd., Project Development Department, 7-2 Yaesu 2-chome, Chuo-ku, Tokyo 104, Japan, dated February 27, 1997, covering diesel electric locomotives bearing the road numbers listed in the Schedule thereto. This document relates to the Memorandum of Lease Agreement, dated February 27, 1997, the Memorandum of Mortgage and Security Agreement, dated February 27, 1997, the Memorandum of Mortgage Supplement No. 1, dated February 27, 1997, and the Memorandum of Lease Supplement No. 1, dated February 27, 1997, which were recorded with the Surface Transportation Board on February 26, 1997 at 1:55 p.m. under recordation numbers 20557, 20557-A, 20557-C and 20557-B respectively, pursuant to Section 11301 of Title 49 of the United States Code.

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-3892).

Sincerely,

CHAPMAN AND CUTLER

By Karl T. Williams
Karl T. Williams

KTW/b
Enclosure

EXHIBIT A

UNITS

| EQUIPMENT | QUANTITY | ROAD NUMBERS |
|---|----------|---|
| General Motors Corporation (Electro-Motive Division) Model SD-90 MAC Diesel Electric Locomotives | 11 | 8075 through 8084, inclusive, and 8088 |

FEB 26 1997 2:00 PM

MEMORANDUM OF LEASE ASSIGNMENT
(UPRR 1997-A)

Memorandum of Lease Assignment, made and entered into on February 27, 1997, by and between Dia Horizon Ltd., a Japanese corporation ("*Lessor*"), and Harris Trust and Savings Bank, an Illinois banking corporation, as security trustee ("*Security Trustee*").

WITNESSETH:

1. The Lessor and Union Pacific Railroad Company ("*Lessee*") have entered into that certain Lease Agreement (UPRR 1997-A) (the "*Lease Agreement*"), dated February 19, 1997, and Lease Supplement No. 1 (the "*Lease Supplement*") thereto, dated February 27, 1997, covering certain locomotives bearing road numbers as listed on Exhibit A attached hereto.

2. Memoranda of said Lease Agreement and of said Lease Supplement were recorded with the Surface Transportation Board on February 26, 1997 at 1:55 p.m. under recordation numbers 20557 and 20557-B respectively, pursuant to Section 11301 of Title 49 of the United States Code.

3. The undersigned have entered into that certain Mortgage and Security Agreement (UPRR 1997-A) (the "*Mortgage*"), dated February 19, 1997, and Mortgage Supplement No. 1 (the "*Mortgage Supplement*") thereto, dated February 27, 1997, pursuant to which Lessor has assigned the aforesaid Lease Agreement, the aforesaid Lease Supplement No. 1, and the rents and other proceeds therefrom (with certain exceptions) to the Security Trustee.

4. Memoranda of said Mortgage and of said Mortgage Supplement were recorded with the Surface Transportation Board on February 26, 1997 at 1:55 p.m. under recordation numbers 20557-A and 20557-C respectively, pursuant to Section 11301 of Title 49 of the United States Code.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum of Lease Assignment to be duly executed by their respective officers duly authorized on the date and year first above written.

DIA HORIZON LTD.

By 

Name: Yoichi Hara

Title: Attorney-in-Fact

Executed on this 24th day of February, 1997.

HARRIS TRUST AND SAVINGS BANK

By _____

Name:

Title:

Executed on this ____ day of February, 1997.

**MEMORANDUM OF LEASE ASSIGNMENT
(UPRR 1997-A)**

Memorandum of Lease Assignment, made and entered into on February 27, 1997, by and between Dia Horizon Ltd., a Japanese corporation ("*Lessor*"), and Harris Trust and Savings Bank, an Illinois banking corporation, as security trustee ("*Security Trustee*")

WITNESSETH:

1. The Lessor and Union Pacific Railroad Company ("*Lessee*") have entered into that certain Lease Agreement (UPRR 1997-A) (the "*Lease Agreement*"), dated February 19, 1997, and Lease Supplement No 1 (the "*Lease Supplement*") thereto, dated February 27, 1997, covering certain locomotives bearing road numbers as listed on Exhibit A attached hereto.

2. Memoranda of said Lease Agreement and of said Lease Supplement were recorded with the Surface Transportation Board on February 26, 1997 at 1:55 p.m. under recordation numbers 20557 and 20557-B respectively, pursuant to Section 11301 of Title 49 of the United States Code.

3. The undersigned have entered into that certain Mortgage and Security Agreement (UPRR 1997-A) (the "*Mortgage*"), dated February 19, 1997, and Mortgage Supplement No. 1 (the "*Mortgage Supplement*") thereto, dated February 27, 1997, pursuant to which Lessor has assigned the aforesaid Lease Agreement, the aforesaid Lease Supplement No. 1, and the rents and other proceeds therefrom (with certain exceptions) to the Security Trustee.

4. Memoranda of said Mortgage and of said Mortgage Supplement were recorded with the Surface Transportation Board on February 26, 1997 at 1:55 p.m. under recordation numbers 20557-A and 20557-C respectively, pursuant to Section 11301 of Title 49 of the United States Code.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum of Lease Assignment to be duly executed by their respective officers duly authorized on the date and year first above written.

DIA HORIZON LTD.

By _____

Name: Yoichi Hara

Title: Attorney-in-Fact

Executed on this ____ day of February, 1997.

HARRIS TRUST AND SAVINGS BANK

By  _____

Name: J. BARTOLINI

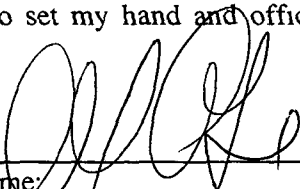
Title: VICE PRESIDENT

Executed on this 27th day of February, 1997.

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On this, the 24th day of February, 1997, before me, a Notary Public in and for said County and State, personally appeared Yoichi Hara, who being by me duly sworn, says that he is the Attorney-in-Fact of DIA HORIZON LTD., that said instrument was signed on February 24, 1997 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



Name: _____
Notary Public
My Commission Expires: _____
Residing in _____
MARIO O. MORRONE
Notary Public, State of New York
No. 02MO4811599
Qualified in Kings County
Commission Expires Oct. 31, 1998

STATE OF _____)
) SS.:
COUNTY OF _____)

On this, the ____ day of February, 1997, before me, a Notary Public in and for said County and State, personally appeared _____, who being by me duly sworn, says that (s)he is the _____ of HARRIS TRUST AND SAVINGS BANK, that said instrument was signed on February __, 1997 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name: _____
Notary Public
My Commission Expires: _____
Residing in _____

STATE OF NEW YORK)
) SS.:
COUNTY OF _____)

On this, the ____ day of February, 1997, before me, a Notary Public in and for said County and State, personally appeared Yoichi Hara, who being by me duly sworn, says that he is the Attorney-in-Fact of DIA HORIZON LTD., that said instrument was signed on February ___, 1997 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

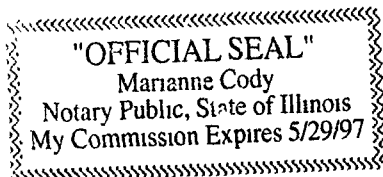
IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

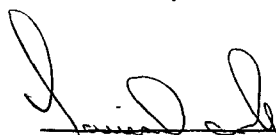
Name:
Notary Public
My Commission Expires.
Residing in _____

STATE OF ILLINOIS)
) SS.:
COUNTY OF COOK)

On this, the 24th day of February, 1997, before me, a Notary Public in and for said County and State, personally appeared J. BARTOLINI, who being by me duly sworn, says that (s)he is the VICE PRESIDENT of HARRIS TRUST AND SAVINGS BANK, that said instrument was signed on February 24, 1997 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.





Name: MARIANNE CODY
Notary Public
My Commission Expires: 5/29/97
Residing in COOK COUNTY

EXHIBIT A

UNITS

| EQUIPMENT | QUANTITY | ROAD NUMBERS |
|---|----------|---|
| General Motors Corporation (Electro-Motive Division) Model SD-90 MAC Diesel Electric Locomotives | 11 | 8075 through 8084, inclusive, and 8088 |